Unemployment rate falls to 4.0% in May

Media Release

Released 13/06/2024

Source: Labour Force, Australia, May 2024

The seasonally adjusted unemployment rate fell by 0.1 percentage point to 4.0 per cent in May, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, ABS head of labour statistics said: "With employment rising by around 40,000 people and the number of unemployed falling by 9,000 people, the unemployment rate fell to 4.0 per cent."

“In April we saw more unemployed people than usual waiting to start work. Some of the fall in unemployment and rise in employment in May reflects these people starting or returning to their jobs.”

“While the total number of unemployed people fell by 9,000 in May, this followed a 33,000 increase in April. Unemployment was around 24,000 people more than in March, an average increase of around 12,000 people each month.

“There are now almost 600,000 unemployed people, however, that is still nearly 110,000 fewer people than in Marc 2020, just before the pandemic.”

As a result of the increase in employment and the fall in unemployment, the seasonally adjusted employment-to-population ratio remained at 64.1 per cent and the participation rate remained at 66.8 per cent.

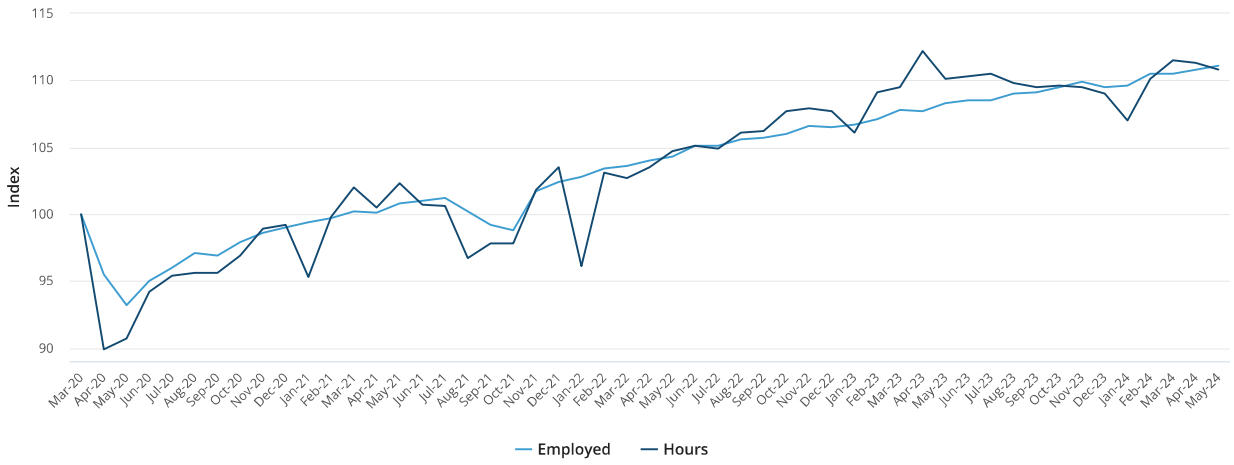
"The employment-to-population ratio and participation rate both continue to be much higher than their pre-pandemic levels. Together with elevated levels of job vacancies, this suggests the labour market remains relatively tight, though less than in late 2022 and early 2023," Mr Jarvis said.

Hours worked

Seasonally adjusted monthly hours worked fell by 0.5 per cent. The growth rate over recent months was broadly in line with employment.

Seasonally adjusted employment and hours worked, indexed to March 2020

Feedback



Source: Labour Force, Australia, Tables 1 and 19

Some of the reduction in hours in May reflected more employed people than usual working reduced hours becaus they were sick.

“Similar to May 2023, around 4.2 per cent of people worked fewer hours because they were sick, compared with the pre-pandemic average for May of 3.5 per cent,” Mr Jarvis said.

Underemployment and underutilisation

The seasonally adjusted underemployment rate remained steady at 6.7 per cent in May 2024. While the underemployment rate has risen by 0.3 percentage points since May 2023, it remained 2.0 percentage points lower than March 2020.

The underutilisation rate, which combines the unemployment and underemployment rates, also remained steady at 10.7 per cent. While this was 0.7 percentage points higher than May 2023, it was 3.2 percentage points lower than March 2020.

Underlying trend data

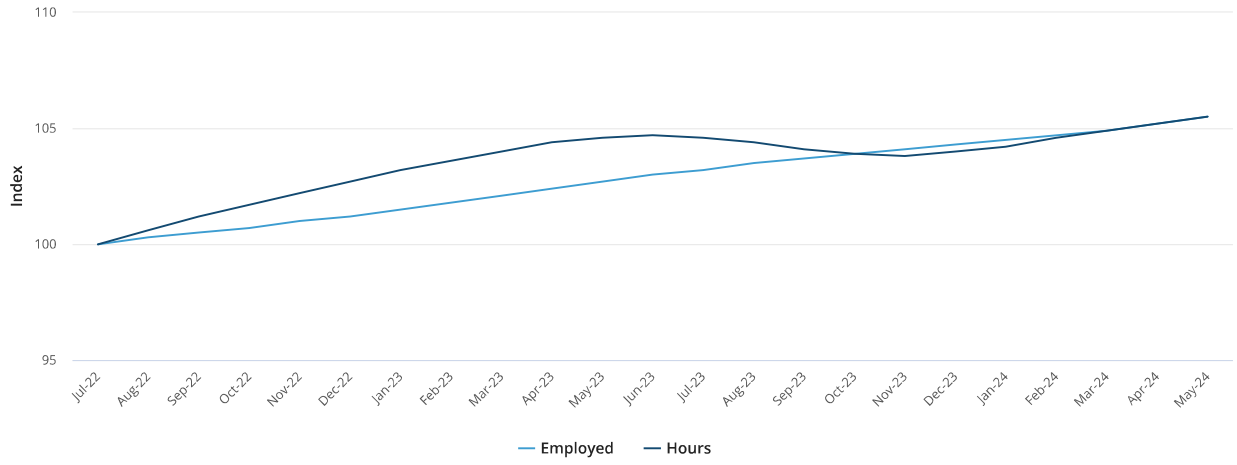
In May, the trend unemployment rate rose to 4.0 per cent, up from a revised 3.9 per cent for April.

In trend terms, employment grew by 39,000 people (0.3 per cent), which continued to be faster growth than the 20-year pre-pandemic average (0.2 per cent).

Hours worked rose by 0.3 per cent between April and May, in line with the increase in employment.

Trend employment and hours worked, indexed to July 2022

Feedback



Source: Labour Force, Australia, Tables 1 and 19

Feedback

The employment-to-population ratio remained at 64.1 per cent in May. This was still close to the historically high levels seen throughout 2023, and still 1.9 percentage points higher than March 2020.

The participation rate remained at 66.7 per cent, for 12 consecutive months, and remains well above the 65.6 per cent in March 2020.

“In trend terms, the participation rate remains particularly high for women, at 62.7 per cent and around 1.5 percentage points higher than its pre-pandemic level. The participation rate also remains high for men, at 70.8 per cent, which is around 0.7 percentage points more than March 2020,” Mr Jarvis said.

“The gap between female and male participation rates has been around 8.0 percentage points over the past year, compared to around 9.6 percentage points in the year before the pandemic.”

The underemployment rate remained at 6.7 per cent and the underutilisation rate stayed at 10.6 per cent.

"The most recent trend data continues to point to a relatively tight labour market," Mr Jarvis said.

More information will be available in the upcoming May 2024 issue of Labour Force, Australia, Detailed, on Thursday 20 June 2024. Modelled regional labour market data will be released in an update to Labour Force, Australia, Detailed, on Thursday 27 June 2024.

The ABS would like to thank Australians for their continued support in responding to our surveys.

Media notes

- The May survey reference period is from 28 April 2024 to 11 May 2024.
- The June survey reference period is from 2 June 2024 to 15 June 2024.

- Access official, high-resolution images of Bjorn Jarvis and other ABS media spokespeople from our image library (https://www.abs.gov.au/media-centre/abs-image-library) .
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
- For media requests and interviews, contact the ABS Media Team via media@abs.gov.au (mailto:media@abs.gov.au) (8.30am-5pm Mon-Fri).
- Subscribe to our media release notification service (https://www4.abs.gov.au/ausstats/notifications.NSF/Web+Pages/ABS+Email+Notification+Service?OpenDocument&js=enabled) to get notified of ABS media releases or publications upon their release.

Feedback